LOAN NUMBER 3013-VIE

LOAN AGREEMENT
(Ordinary Operations)

(Central Mekong Delta Region Connectivity Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 16 OCTOBER 2013

LOAN AGREEMENT
(Ordinary Operations)

LOAN AGREEMENT dated 16 October 2013 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Borrower has also applied to the Australian Agency for International Development ("AusAID") for purposes of cofinancing Project activities described in paragraph 2(i) of Schedule 1 of this Loan Agreement, and AusAID has agreed to provide a grant to the Borrower in the amount of AUD128,000,000 ("Grant") to be fully administered by ADB pursuant to its cofinancing agreement with AusAID and subject to the terms and conditions of an externally financed grant agreement of even date herewith between the Borrower and ADB ("Grant Agreement");

(C) by loan agreement dated 5 May 2011, between the Export-Import Bank of Korea ("KEXIM") and the Borrower, KEXIM provided a parallel cofinanced loan in the aggregate amount of $200,000,000 for the purposes of financing the Project's component described in paragraph 2(iii) of Schedule 1 of this Loan Agreement ("KEXIM Loan Agreement"); and

(D) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB's Ordinary Capital Resources, dated 1 July 2001 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 3.03 is deleted and the following is substituted therefor:

Commitment Charge; Credit; Maturity Premium.

(a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the credit against the interest payable by the Borrower.

(c) The Borrower shall pay a maturity premium at the rate specified in the Loan Agreement, which maturity premium shall remain fixed for the term of the Loan. ADB shall add the maturity premium to the interest payable by the Borrower.

(b) Section 3.06 is deleted and the following is substituted therefor:

Rebate. (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

(c) Section 3.07 is deleted and the following is substituted therefor:

Surcharge. (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum),

by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2010, as amended from time to time);

(b) "Environmental Impact Assessment" or "EIA" means the environmental impact assessment for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;

(c) "Environmental Management Plan" or "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the EIA;

(d) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(e) "Goods" means equipment and materials to be financed out of the proceeds of the Loan and the Grant, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding consulting services;

(f) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(g) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(h) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2012, as amended from time to time);

(i) "PAM" means the project administration manual for the Project dated 11 June 2013 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(j) "Procurement Guidelines" means ADB's Procurement Guidelines (2010, as amended from time to time);

(k) "Procurement Plan" means the procurement plan for the Project dated 11 June 2013 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(l) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means the Ministry of Transport of the Borrower or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(m) "Project facilities" means the bridges and road sections that will be the subject of the Works to be procured, rehabilitated, installed, maintained or serviced under the Project;

(n) "Resettlement Plans" or "RPs" means any and all resettlement plans prepared for the Project, including any update(s) thereto, prepared and submitted by the Borrower and acceptable to ADB;

(o) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009);

(p) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of and compliance with the EMP and the RPs (as applicable), including any corrective and preventative actions; and

(q) "Works" means construction or civil works to be financed out of the proceeds of the Loan and the Grant, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding consulting services.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of four hundred ten million Dollars ($410,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 25 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

(a) LIBOR;

(b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.20% as provided by Section 3.03 of the Loan Regulations; and

(c) a maturity premium of 0.20% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 1 April and 1 October in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

(i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;

(ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and

(iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

(b) Any conversion requested pursuant to subsection (a) hereinabove that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(6) of the

Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.05. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 June 2020 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Borrower shall cause the Project Executing Agency to carry out the Project with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. The Borrower shall cause the Project Executing Agency to make available, promptly as needed and on terms and conditions acceptable to ADB, the

funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project and for the operation and maintenance of the Project facilities.

Section 4.03. The Borrower shall cause the Project to be carried out in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to the Borrower and ADB, as applicable. The Borrower shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.

Section 4.04. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.05. (a) The Borrower shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements, use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement, as well as on the use of the procedures for imprest fund(s) and statement of expenditures) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.

Section 4.06. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any records and documents relevant to the Project.

Section 4.07. The Borrower shall ensure that any facilities relevant to the Project are operated, maintained and repaired in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 9.01(l) of the Loan Regulations: the Borrower shall have failed to perform any of its obligations under the Grant Agreement, the KEXIM Loan Agreement and/or an additional Project-related loan agreement with KEXIM.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations: an event specified in Section 5.01 above shall have occurred and continued for a period of 60 days after notice thereof shall have been given by ADB to the Borrower.

ARTICLE VI

Effectiveness

Section 6.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 10.01(f) of the Loan Regulations:

(a) the Grant Agreement shall have been duly executed and delivered on behalf of the Borrower and shall have become legally binding upon the Borrower in accordance with its terms; and

(b) the Borrower has confirmed to ADB in writing that adequate funding for the component described in paragraph 2(iii) of Schedule 1 had been secured on terms and conditions satisfactory to ADB.

Section 6.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The Governor of State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

State Bank of Vietnam
47-49 Ly Thai To
Ha Noi, Viet Nam
Facsimile Numbers:

(84-4) 3 8250-612
(84-4) 3 8258-385.

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2015.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN BINH
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
JAMES A. NUGENT
Director General
Southeast Asia Department

SCHEDULE 1

Description of the Project

1. The objective of the Project is to construct a section of the Second Southern Highway consisting of two cable-stayed bridges across the Mekong River, one at Cao Lanh and the other at Vam Cong, and associated roads, including systems for bridge health monitoring, traffic management, and emergency response, which, upon completion, will improve connectivity in the Mekong Delta Region and provide efficient road access from Ho Chi Minh City to the Southern Coastal Region.

2. The Project shall comprise the following main components:

(i) Construction of a 2.0 kilometer (km) cable-stayed bridge across the Tien branch of the Mekong River near the city of Cao Lanh (the Cao Lanh Bridge) and approximately 5.8km of approach roads;

(ii) Construction of a 15.7km road interconnecting the Cao Lanh Bridge and the Vam Cong Bridge (the Interconnecting Road); and

(iii) Construction of a 3km cable-stayed bridge across the Hau branch of the Mekong River near the town of Vam Cong (the Vam Cong Bridge) and approximately 4.5km of approach roads.

3. The Project is expected to be completed by 31 December 2017.

SCHEDULE 2

Amortization Schedule

(Central Mekong Delta Region Connectivity Project)

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Sequence	Date Payment Due	Installment Share (Expressed as a %)
1	1 October 2019	2.000000
2	1 April 2020	2.000000
3	1 October 2020	2.000000
4	1 April 2021	2.000000
5	1 October 2021	2.000000
6	1 April 2022	2.000000
7	1 October 2022	2.000000
8	1 April 2023	2.000000
9	1 October 2023	2.000000
10	1 April 2024	2.000000
11	1 October 2024	2.000000
12	1 April 2025	2.000000
13	1 October 2025	2.000000
14	1 April 2026	2.000000
15	1 October 2026	2.000000
16	1 April 2027	2.000000
17	1 October 2027	2.000000
18	1 April 2028	2.000000
19	1 October 2028	2.000000
20	1 April 2029	2.000000
21	1 October 2029	2.000000
22	1 April 2030	2.000000
23	1 October 2030	2.000000
24	1 April 2031	2.000000
25	1 October 2031	2.000000
26	1 April 2032	2.000000
27	1 October 2032	2.000000
28	1 April 2033	2.000000
29	1 October 2033	2.000000

30	1 April 2034	2.000000
31	1 October 2034	2.000000
32	1 April 2035	2.000000
33	1 October 2035	2.000000
34	1 April 2036	2.000000
35	1 October 2036	2.000000
36	1 April 2037	2.000000
37	1 October 2037	2.000000
38	1 April 2038	2.000000
39	1 October 2038	2.000000
40	1 April 2039	2.000000
41	1 October 2039	2.000000
42	1 April 2040	2.000000
43	1 October 2040	2.000000
44	1 April 2041	2.000000
45	1 October 2041	2.000000
46	1 April 2042	2.000000
47	1 October 2042	2.000000
48	1 April 2043	2.000000
49	1 October 2043	2.000000
50	1 April 2044	2.000000
	Total	**100.000000**

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Interest and Commitment Charges

3. The amount allocated to Category 3 is for financing interest and commitment charges on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest and commitment charges.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Retroactive Financing

6. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred in connection with the Works, land acquisition and resettlement under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement, subject to a maximum amount equivalent to 20% of the Loan amount.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Central Mekong Delta Region Connectivity Project)				
Number	**Item**	**Total Amount Allocated for ADB Financing ($ '000)**		**Basis for Withdrawal from the Loan Account**
		Category	**Subcategory**	
1	Works	272,870		
1A	Cao Lanh Bridge		110,750	50% of total expenditure claimed
1B	Interconnecting Road		162,120	100% of total expenditure claimed
2	Land Acquisition and Resettlement	37,180		100% of total expenditure claimed
3	Interest and Commitment Charges	13,500		100% of amounts due
4	Unallocated	86,450		
	TOTAL	**410,000**		

SCHEDULE 4

Procurement of Goods and Works

General

1. The procurement of Goods and Works shall be subject to and governed by the Procurement Guidelines.

2. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines.

Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the method of procurement set forth below:

(a) International Competitive Bidding.

4. The method of procurement is subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the method of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Industrial or Intellectual Property Rights

5. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

6. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right of any third party.

ADB's Review of Procurement Decisions

7. Contracts procured under international competitive bidding procedures shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project; Financial Matters

Implementation Arrangements

1. The Borrower shall cause the Project Executing Agency to ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Environment

2. The Borrower shall ensure, or cause the Project Executing Agency to ensure, that the preparation, design, construction, implementation, and operation of the Project and all Project facilities, including decommissioning of relevant Project facilities, regardless of the funding source, comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the EIA, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

3. The Borrower shall ensure, or cause the Project Executing Agency to ensure, that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RPs, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

4. Without limiting the application of the Involuntary Resettlement Safeguards or the RPs, the Borrower shall ensure, or cause the Project Executing Agency to ensure, that no physical or economic displacement takes place in connection with the Project until:

(a) compensation and other entitlements have been provided to affected people in accordance with the RPs; and

(b) a comprehensive income and livelihood restoration program has been established in accordance with the RPs.

5. The Borrower shall cause the Project Executing Agency to ensure and confirm to ADB in writing that Works contractors are not issued a site possession notice for a specific section of the Project site until: (a) compensation to the affected people has been fully paid and rehabilitation measures are in place for that specific section as per the RPs; (b) affected people who are compensated for that specific section have vacated the area concerned; and (c) such section of the Project site is free and clear of any encumbrances.

Indigenous Peoples

6. The Borrower shall ensure, or cause the Project Executing Agency to ensure, that the preparation, design, construction, and implementation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; and (c) any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Grievance Redress Mechanism

7. The Borrower shall cause the Project Executing Agency to ensure that an effective grievance redress mechanism is developed by the contractors and agreed with ADB prior to commencement of the Works, and that it is maintained during the Project implementation period to effectively deal with complaints.

Human and Financial Resources to Implement Safeguards Requirements

8. The Borrower shall make available, or cause the Project Executing Agency to make available, necessary budgetary and human resources to fully implement the EMP, and the RPs.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

9. The Borrower shall cause the Project Executing Agency to ensure that all bidding documents and contracts for Works, including those financed by KEXIM or the Borrower, contain provisions that require contractors to:

(a) comply with the measures relevant to the contractor set forth in the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report;

(b) make budget provisioning for such environmental measures; and

(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction of the Project that were not previously considered.

Safeguards Monitoring and Reporting

10. The Borrower shall do the following, or cause the Project Executing Agency to do the following:

(a) submit semi-annual Safeguards Monitoring Reports on environment to ADB. All Safeguards Monitoring Reports will be posted by ADB on its website upon receipt;

(b) submit quarterly Safeguards Monitoring Reports on resettlement to ADB. All Safeguards Monitoring Reports will be posted by ADB on its website upon receipt;

(c) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the EIA, the EMP, and the RPs, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;

(d) ensure that qualified and experienced external environment and social expert or qualified NGO(s) are engaged under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project monitoring process, facilitate the carrying out of any verification activities by such external experts in compliance with the SPS, and that external monitoring reports are submitted to the Project Executing Agency and ADB simultaneously;

(e) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RPs promptly after becoming aware of the breach; and

(f) if there are any additional components or changes in the Project that will result in adverse environmental and/or involuntary resettlement impacts that are not within the scope of the EIA and RPs, new or supplementary environment assessment report and resettlement plan (as applicable) are to be prepared based on the SPS and acceptable to ADB, and necessary environmental approvals required by the Government are to be obtained prior to implementation.

Social

11. Upon completion of the Project, the Borrower shall ensure that adequate ferry crossing and services are provided for pedestrians, bicycle and motorcycle traffic in close proximity to existing ferry operations at Cao Lanh and Vam Cong.

Road Safety

12. Under its national road safety program, the Borrower shall cause the Project Executing Agency to commence road safety awareness campaign at least six (6) months prior to the scheduled opening of the Project facilities to traffic, and continue such road safety awareness campaign for at least twelve (12) months thereafter.

Prohibited List of Investments

13. The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Health and Labor Standards

14. The Borrower shall cause the Project Executing Agency to ensure that contractors engaged under the Project (i) comply with all applicable Vietnamese labor laws and core labor standards; (ii) use their best efforts to employ women and local people, including disadvantaged people; (iii) provide equal pay to men and women for work of equal

type; (iv) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Project site; (v) maximize female training and employment; (vi) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program during Project implementation; and (vii) do not use child labor. The Project must include specific clauses on these undertakings.

Gender and Development

15. The Borrower shall cause the Project Executing Agency to ensure that the gender inclusive elements are implemented in a timely manner over the Project period, and that adequate resources are allocated for this purpose. Specific gender-related activities undertaken during Project implementation shall be reported in the progress reports and the Safeguards Monitoring Report.

Counterpart Support

16. The Borrower through the Project Executing Agency shall ensure that the counterpart funding required for successful Project implementation is allocated in timely manner and provided. The Borrower shall cause the Project Executing Agency to adequately staff and equip the Project implementation unit in a manner acceptable to ADB.

Governance and Anticorruption

17. The Borrower, the Project Executing Agency, and the implementing agencies shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

18. The Borrower, the Project Executing Agency and the implementing agencies shall ensure that (i) the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project, and (ii) the Project's website is accessible by general public and publicizes various Project-related information, including general Project details, safeguards, procurement, progress, and contact details in the English and Vietnamese languages. The website shall also provide a link to ADB's Integrity Unit (http://www.adb.org/Integrity/complaint.asp) for reporting to ADB any grievances or allegations of corrupt practices arising out of or in connection with the Project. With regard to procurement, the website shall include information on the list of participating bidders, the names of the winning bidders, basic details on bidding procedures, amount of contracts awarded, and the list of Goods, Works and Consulting Services procured.

Operation and Maintenance

19. The Borrower shall ensure that: (i) an operation and maintenance management plan (OMMP) is prepared for the Project prior to its completion specifying the requirements for routine and periodic maintenance, emergency response procedures and

protocols, and procedures for operation and maintenance of the Project facilities, (ii) OMMP includes specific budget items for each operation and maintenance procedure, (iii) OMMP outlines pro-forma budget summary for 10 years of Project operation, (iv) OMMP is acceptable to and agreed with ADB prior to the Closing Date, and (v) OMMP included in the Project completion report and ADB provided with an update 5 years after Project completion.

Project Performance Monitoring

20. The Borrower shall cause the Project Executing Agency to monitor and evaluate the Project outcomes and outputs against the indicators provided in the Project's design and monitoring framework, as well as in the detailed Project performance and benefits monitoring framework, prepared under the Project-preparatory ADB-administered technical assistance. The Borrower shall ensure that the Project Executing Agency (i) collects the necessary information and data, including gender-disaggregated information for relevant indicators, on Project performance before Project implementation, at completion, and on the third anniversary of Project completion; and (ii) submits to ADB the reports summarizing the key findings of this monitoring.